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Acting
Wednesday
August 6, 1952

E. and I went this morning to the funeral of Mary Cummins held at the 1925 F Street Club. She was a wonderful woman. I had known her for almost thirty years. She had worked first for Laura Gross and when Laura converted the house into a club she stayed on and managed it efficiently.

I talked to Bob Lovett this morning about the CATI aircraft situation, and how the planes might be removed from Hong Kong. I later discussed the same subject with Ted Tannenwald.

At the NSC meeting I took up the following points:

(1) Iran. I gave an oral briefing on the Iranian situation. There were no questions except Mr. Lovett repeated the opinion previously expressed by him to me in a telephone conversation that (a) we should seriously reconsider making a grant rather than a loan to the Iranians, and (b) reconsider the terms on which we would permit oil and oil products other than those purchased by the AIOC or another designee of the U. K. Government to be sold elsewhere, with particular attention to safeguarding against any such sale to the Soviet bloc.

The President expressed himself as desirous of having these two matters taken under further advisement by us. I told him we were already studying these questions, and if and as the negotiations developed would consult with him further.

(2) Japanese Paper. The Japanese paper was approved. The only outstanding matter of controversy had been the language regarding security controls in Japan. Agreement was reached on a text agreeable to Commerce, Defense, and ourselves reading as follows:

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"11. (a) It will retain under export control substantially the same list of commodities which it now subjects to such controls;

"(b) it will maintain its embargo on all items on the U. S. Security Lists (including the Battle Act Lists) as well as those items which after careful review are judged to be of security significance to Communist China and North Korea at least so long as there is Communist aggression in the Far East; and

"(c) the residual commodities now controlled by Japan will be restricted in such manner as the U. S. and Japanese Governments may agree represent a proper safeguard to their mutual security.

"Footnote: It is understood that the statement in paragraph (b) constitutes the U. S. objective and the successful accomplishment of that objective will require that the U. S. and Japanese Governments agree bilaterally on the security significance of the items."

We had [redacted] conferences about the CATI aircraft this afternoon, a subject [redacted] mentioned after the NSC meeting in a talk with the President, attended by Messrs. Lovett, General Smith, Harriman, and myself. The United States Government will acquire title to them immediately, and we sent off a cable tonight to the Embassy in London instructing it to take up urgently with the U. K. Government our request that a number of planes be loaded aboard a U. S. Navy transport carrier and removed from Hong Kong. The others would be taken away later by other means.

Tonight Ethel Fowler came to dinner with us.

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